

FAREHAM

BOROUGH COUNCIL

Report to the Executive Member for Policy and Resources for Decision 02 June 2020

Portfolio:	Policy and Resources
Subject:	Discretionary Business Grant Scheme
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	Maintain and Extend Prosperity

Purpose:

To approve the Local Authority Discretionary Grant Fund Scheme for Fareham Borough Council.

Executive Summary:

On 01 May the government announced a further support package for businesses struggling due to the impact of the COVID-19 lockdown; this was followed up with more detailed guidance on 12 May.

The Scheme is aimed at small and micro businesses in the borough who are incurring property related costs and who have not been eligible for other government support packages such as the Small Business and Retail, Hospitality and Leisure Grants Fund.

Local authorities have been tasked with creating a local scheme which meets the government requirements. Local authorities are expected to exercise their local knowledge and discretion about the economic need in their area when designing the scheme. However, the government have specified the following 4 types of business which they would like to see given some priority under the scheme:

- Small businesses in shared offices or other flexible workspaces
- Regular market traders with fixed building costs
- Bed and Breakfasts which pay council tax
- Charity properties who received charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief.

The Council has been in discussion with other local authorities in Hampshire to establish some consistency in the schemes across the region. A review of the types of business in the borough has also been carried out to identify those businesses within the Fareham area which have not been eligible under other grants and reliefs schemes.

The resulting Scheme proposed is attached as Appendix 1. Key features of the Scheme are:

- (a) The value of the grant awarded to eligible businesses will be calculated against a sliding scale based solely on their monthly property related overheads; the scale is capped at a maximum of £10,000 per business.
- (b) This is not a first come, first served Scheme in that grants will not be awarded until the window of opportunity to apply has closed. Where there is insufficient funding to make a payment to all eligible businesses, a set of priority criteria, as defined in the Scheme, will be used to determine who will receive the grants.

Recommendation:

It is recommended that:

- (a) the Local Authority Discretionary Grant Fund Scheme attached as Appendix 1 is approved for adoption in Fareham;
- (b) authority is delegated to the Deputy Chief Executive Officer to:
 - i. approve grants up to and including £5,000 to those businesses who apply for the support and meet the eligibility criteria set out in the Scheme;
 - ii. approve interim payments up to and including £5,000 to those businesses who apply for the support and meet the eligibility criteria set out in the Scheme and who will be recommended for a higher value grant; and where it is evident that this is necessary to protect the continued operation of the business;
- (c) the Executive Member for Policy and Resources approves grants over £5,000 to those businesses who apply for the support and meet the eligibility criteria set out in the Scheme; and is provided with details of grants paid out under delegated authority;
- (d) a request is made to the government to allow local authorities to reallocate any unused funding received for the Small Business and Retail, Hospitality and Leisure Grants Fund Scheme, to this Local Authority Discretionary Grant Fund Scheme.

Reason:

This Scheme complies with the government intentions for this grant funding scheme and is consistent with the majority of schemes being adopted by other Councils in Hampshire.

Cost of Proposals:

The baseline value for this Scheme has been calculated, in accordance with the government guidance, at **£1,019,000**.

This cost will be funded from the unused grant received from the government to allocate under the Small Business and Retail, Hospitality and Leisure Grants Fund. Current projections are that there will be sufficient unused grant to fund the whole new Scheme. However, additional government funding will be available to cover any shortfall that arises.

New Burdens funding will also be available to help meet the administration costs in delivering the Scheme.

Risk Assessment:

There is a risk that the funding Scheme will be oversubscribed. The Scheme therefore contains a set of priority criteria which will be used to determine which businesses receive the funding should this situation arise.

There is a risk of fraud inherent in any funding Scheme. Proportionate pre-payment checks are being built into the application approval process to reduce the risk of fraud, which will be supplemented by a number of post payment assurance checks.